

**HEALTHY FAMILIES PROGRAM  
MANAGED RISK MEDI-CAL INSURANCE BOARD  
SB1196 NATIONAL SCHOOL LUNCH PROGRAM HEALTH  
COVERAGE APPLICATION  
FINAL STATEMENT OF REASONS**

In August 1997, The Federal Government established a new program, the State Children's Health Insurance Program (SCHIP), by adding Title XXI to the Social Security Act. The purpose of the program is to provide health services to uninsured, low-income children. The program is targeted to serve children whose family's income, although low, is too high to qualify for the Title XIX Medicaid Program, called Medi-Cal in California. In 1997, the Legislature passed, and the Governor signed AB 1126, (Chapter 623, Statutes of 1997). Under that law, California has taken the option of both expanding its Medi-Cal Program and establishing a new stand alone children's health insurance program, the Healthy Families Program (HFP). The Department of Health Services (DHS) administers the Medi-Cal expansion. The Managed Risk Medi-Cal Insurance Board (MRMIB) administers the HFP. The basic structure of the HFP is set out in regulations approved by the Office of Administrative Law, (Chapter 5.8 of Title 10 of the California Code of Regulations).

Senate Bill 1196 (Chapter 729, Statutes of 2004), directed the MRMIB to accept, process and determine eligibility for the HFP using the National School Lunch Program (NSLP) Health Coverage Applications and supplemental forms.

Currently, applicants apply for HFP in one of two ways: by submitting a mail-in Joint Medi-Cal/HFP application, or with the assistance of a Certified Application Assistant (CAA) using the online Health-e-App (an electronic replica of the mail-in joint Medi-Cal/HFP application).

SB 1196 includes the following provisions:

- With the applicant's consent, the NSLP application will be forwarded to the Medi-Cal program, administered by the DHS, for an eligibility determination for no-cost Medi-Cal. The NSLP application, along with any supplemental forms and disclosures shall be considered as a Medi-Cal application. The DHS shall deem an applicant who submits a NSLP application to have met the income documentation requirements for participation in the no-cost Medi-Cal program, any child who is less than six years of age and who has been determined to be eligible for free meals through a federally funded program using the NSLP application.
- On and after July 1, 2005, the Medi-Cal Program is authorized, with the applicant's consent, to forward those NSLP applications, and any supplemental

forms for children who are not eligible for no-cost Medi-Cal, to the HFP administrative vendor for eligibility determination.

- The HFP will accept the NSLP application forwarded by the Medi-Cal Program to be an application for determination of HFP eligibility.

Implementing SB1196 required changes to the current HFP regulations to reflect the authority of MRMIB to receive and process NSLP applications and any supplemental forms forwarded from the Medi-Cal program.

## **Article 2. Eligibility, Application and Enrollment**

### **Section 2699.6600**

#### **Specific Purpose of the Change**

Section 2699.6600 describes the information that must be included on the joint Medi-Cal/HFP application, and the additional required documentation that must be submitted with the application in order to determine program eligibility and enrollment.

This section was amended to clarify that the National School Lunch Program (NSLP) Health Coverage Application and any supplemental forms are incorporated by reference in the regulations as an application to the HFP.

This section was also amended to clarify that the NSLP/Medi-Cal application, *Application for Free and Reduced Price Meals for School Year 2006-2006*, would be used to make an eligibility determination. The template for this application, which has no form number or date, was approved jointly by the California Department of Education (CDE) and DHS, utilizing the required CDE and DHS criteria. Each school district may develop their own form from the template including the required CDE and DHS criteria and submit to CDE and DHS for approval. Therefore, the regulations do not incorporate this document by reference.

Additionally, a subsection was added to outline the elements required to enroll in the HFP which are not contained within the NSLP applicant and supplemental forms.

#### **Rationale for the Necessity of the Changes**

Subsection 2699.6600(a)(6) was amended to add: "Alternatively, the program shall utilize the school lunch application and any supplemental forms received pursuant to Section 14005.41 of the Welfare and Institutions Code to make an eligibility determination." This was included pursuant to SB 1196, which requires MRMIB/HFP to accept the form. The statute recognizes that a county will need to collect additional information in order to maintain uniform standards for all Medi-Cal applicants. This

subsection also updates the most current version Medi-Cal/HFP joint application, the April, 2005 revision. This form is updated periodically to add annual income eligibility charts. There were no changes to the form questions.

New Subsection 2699.6600(d) added the forms HFP can use in the process of eligibility determination for HFP, that were originally used by county welfare offices for children referred pursuant to the School Lunch Program (Education Code Section 49557.2) and Section 14005.41 of the Welfare and Institutions Code ,for Medi-Cal eligibility.

Subsection 2699.6600(d)(1) establishes that the child's school lunch application itself shall be forwarded to the HFP. The HFP will accept the child's school lunch application as an application for determination of eligibility.

Subsection 2699.6600(d)(2) establishes that the Supplemental Form for Express Enrollment Applicants (MC 368), a Medi-Cal form, will be accepted as a supplemental form for determination of HFP eligibility.

Subsection 2699.6600(d)(3) establishes that a letter or Notice of Action from the County Welfare Office issued within the last two (2) months will be accepted along with the NSLP application and can be used for determination of HFP income eligibility, if the notice includes a statement that the applicant is eligible for share of cost Medi-Cal, a determination of total monthly household income before and after income deductions and an indication of the number of family numbers living in the household.

The above forms include the basic information the program needs to determine HFP eligibility. However additional information is needed at the time of application to complete the HFP enrollment process.

Subsection 2699.6600(d)(4) was added to establish the additional information and declarations the program needs to complete the HFP eligibility and enrollment that was not included in the school lunch application or supplemental Medi-Cal referral information. This information is already part of the HFP application process. Therefore, it cross references parts of the standard HFP application process already in regulation:

Subsection 2699.6600(c) (1) (C) asks the applicant's primary written and oral language. This is needed to provide equitable customer service.

Subsection 2699.6600 (c) (1) (F) 15 asks the pregnancy status and due date of any one in the household. This is needed for referral of the pregnant household member to the Medi-Cal.

Subsection 2699.6600 (c) (1) (G) is a declaration that the applicant is applying for all eligible children in the household. This is needed to determine accurate family size for inclusion in the HFP.

Subsections 2699.6600 (c) (1) (M) through (Q) and (U) through (W) contain other declarations to be affirmed by all HFP applicants.

Subsections 2699.6600 (c) (1) (AA), (BB) 1 and (DD) contain information and declarations necessary for selection of the program's health, dental and vision plan options.

Subsections 2699.6600 (c) (1) (GG) requests information on American Indian or Alaska Native status. This information is necessary to apply for a waiver of family contributions and benefit co-payments for American Indians and Alaska Natives, as required by federal law.

### **DATA, STUDIES, AND REPORTS RELIED UPON**

MRMIB did not rely upon any specific written reports developing these regulations, other than the cited laws and regulations. MRMIB relied upon its own experience in managing the HFP.

MRMIB did use the information provided in the May 3, 2005 DHS/CDE sample NSLP application format provided to each participating school districts version and the June, 2005 version of the MC 368, a DHS Medi-Cal form, to develop additional requirements needed to enroll into the HFP.

### **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code Section 11346.5(A) (7), the Managed Risk Medical Insurance Board has determined that no reasonable alternative considered by the Board, or that has been otherwise identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulations.

### **LOCAL MANDATE**

The Managed Risk Medical Insurance Board has determined that the regulations would not impose a mandate on local agencies or school districts, nor are there any costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

### **BUSINESS IMPACT STATEMENT**

The Board has assessed the impact of these regulatory changes on California businesses, including small businesses. There is no known significant statewide adverse economic impact directly affecting California businesses, including the ability of

California businesses to compete with businesses in other states. The impact of these regulatory changes is not significant enough to either create new jobs or businesses or eliminate existing jobs or businesses or affect the expansion of businesses currently doing business within California.